

# **DEPARTMENT OF ADMINISTRATION**

## **STATE PROPERTIES COMMITTEE MEETING MINUTES**

**TUESDAY, MARCH 1, 2011**

The meeting of the State Properties Committee was called to order at 10:00 a.m. by Chairman Kevin M. Flynn. Other members present were Robert K. Griffith representing the Rhode Island Department of Administration; Susan Urso representing the Rhode Island Department of Attorney General in the absence of Richard B. Woolley; Robert W. Kay, Public Member; and Andrew Marcaccio representing the Rhode Island Office of the General Treasurer, Ex-officio Member. Others in attendance were Meredith Pickering from the Rhode Island Senate Fiscal Office; John Faltus from the Rhode Island Department of Environmental Management; and Ronald Renaud, Michael D. Mitchell, John Ryan Kevin Nelson and Jeffrey Chmura from the Rhode Island Department of Administration.

Chairman Flynn stated for the record that the State Properties Committee did have a quorum present in order to conduct business.

On a motion made by Mr. Kay and seconded by Mr. Griffith, the Committee unanimously voted to approve the minutes from the State Properties Committee

meeting held on February 15, 2011.

ITEM A – Department of Administration – A request was made for approval of and signatures on the Lease Agreement, by and between

the Department of Administration and Growing Children of Providence, Inc. (Daycare Facility) for the premises located within the Powers Building, One Capitol Hill in the City of Providence. By way of backgroun Mr. Ryan stated that when the Department began assembling documents for the new Lease Agreement, it was discovered that the Tenant was in arrears relative to several months of rental payments. Mr. Ryan noted that the Department has struggled to come to a resolution concerning said arrears. Mr. Ryan indicated that he and Mr. Mitchell have worked with this long time Tenant and suggested Mr. Mitchell explain to the Committee how the Department arrived at the proposed resolution to this matter. Mr. Mitchell indicated that the Tenant has been two (2) months in arrears of rental payments for nearly a year, with the total arrearage of \$61,590. 86 due and owing. Mr. Mitchell noted that it is his understanding that the Tenant has contacted Navigate Credit Union for a small business administration loan which is currently being processed for the entire amount of the arrearage. Mr. Mitchell stated that when the Lease Agreement was initially sent to the President of Growing Children of Providence, Inc., he also sent notice that approval of said Lease Agreement would be subject to approval by the State Properties Committee as well as be contingent upon payment of the arrearage within five (5) days of approval. Since that time, Mr. Mitchell received a letter from Navigate Credit Union evidencing that the loan is in process; however, there is a catch twenty-two (22) in that the loan is contingent upon approval of the Lease Agreement and approval of the Lease Agreement is contingent

upon the payment of the arrearage amount. Mr. Mitchell noted that Director Licht has approved and executed the Lease Agreement with the proviso that it not be release until such time as the total arrearage amount is paid in full. Therefore, Mr. Mitchell respectfully requested that the State Properties Committee also approve said Lease Agreement with the proviso that the same will not be released to the Tenant until the arrearage is paid in full. Mr. Kay asked what the term of the Lease is. Mr. Ryan noted that the Lease carries a term of three (3) years. Chairman Flynn asked if the Lease Agreement contains a requirement that a certain amount of available spaces be maintained for State employees. Mr. Mitchell stated that there was a condition in the original lease that a certain percentage of the children attending the facility must be children of State employees. However, to provide for changes in certain demographics over the years, the new Lease Agreement requires that the children and/or grandchildren of State employees be given priority in terms of available space ahead of outside applicants. Mr. Mitchell also indicated that the new Lease Agreement contains very explicit language relative to the fire alarm and evacuation procedures in the event of any drill or actual emergency. Additionally, provisions relative to the playground area located outside the Department of Transportation have been included in the new Lease Agreement, specifically in terms of the daycare's obligation to secure liability insurance coverage for that area. On a motion made by Mr. Griffith and seconded by Mr. Kay the Committee voted unanimously to approve the above request.

**ITEM B – Department of Administration – A request was made for**

approval

of and signatures on the 2011 Office Sublease Assignment Agreement, by and between the Department of Administration and the U.S. Territory of Guam, Office of the Governor for office space located at the Hall of the States, Suite 619, 400 – 444 North Capitol Street, NW, Washington, DC. Mr. Mitchell indicated that since 2008, the State of Rhode Island, through the Governor's Office, has leased the above premises, which consists of 432 square feet of office space. In the past, the Governor's Office has utilized the premises as a legislative liaison office; however, it has not been used for a couple of years. In 2009, the State Properties Committee approved a Sublease Office Assignment Agreement with the Territory of Guam Governor's Office so that they could utilize this space. Said Sublease Office Assignment Agreement expired on January 31, 2011. Mr. Mitchell stated that the Agreement was designed so that when a new administration came in, they would have the option of using said space if necessary; however, Governor Chafee's office has indicated that they do not need the space and the offer was made to Guam to continue its occupancy of the premises. The Governor of Guam has indicated that they would like to continue to occupy the office space and maintain a presence on Capitol Hill. The current lease fee is \$2,000.00 per month. Mr. Mitchell noted that he checked with the property manager and the Tenant is current in its lease payments. Mr. Mitchell indicated that Guam has the same budget constraints as the State of Rhode Island so the Territory of Guam has asked that this be a year to year proposition, whereby, we would renew the Sublease

**Office Assignment Agreement based upon whether it is determined that Guam has the budget to stay on as a Tenant. On a motion made by Mr. Griffith and seconded by Mr. Kay, the Committee unanimously voted to approve the above request.**

**ITEM C – Department of Administration – A request for approval of and signatures on a Grant of Easement Agreement, by and between the Department of Administration and The Narragansett Electric Company for purposes of providing and maintaining electrical service at the new Rhode Island Fire Academy located at the Ladd Center located on Green Lane in the Town of Exeter. Mr. Chmura explained that the new Rhode Island Fire Academy is under construction and nearing completion at the Ladd Center. Mr. Chmura noted that the Academy occupies approximately twenty-five (25) acres of land at the Ladd Center. Mr. Chmura indicated that at this time it is necessary to bring a permanent power supply into the facility. Therefore, National Grid is requesting an easement over State-owned land in order to do so. Mr. Chmura stated that the Grant of Easement has been reviewed by both Attorney Michael Mitchell and legal counsel for National Grid.**

**On a motion made by Mr. Griffith and seconded by Mr. Kay, the Committee unanimously voted to approve the above request, subject to Kevin Carvalho of Risk Management reviewing the insurance policy to ensure that the same meets the State of Rhode Island's requirements.**

**ITEM D – Board of Governors for Higher Education/University of Rhode Island – A request for approval of and signatures on a License Agreement, by and between the University of Victoria Property**

Investments, Inc., on behalf of Vancouver Island Technology Park Trust and the University of Rhode Island for the use of 200 square feet of storage space located at 4464 Markham Street, Suite 2201, Victoria, British Columbia. Item D has been deferred to a future meeting of the State Properties Committee at the request of the Board of Governors for Higher Education/University of Rhode Island.

**ITEM E – Department of Environmental Management –** A request was made for approval of and signatures on a First Amendment to License Agreement, by and between the Department of Environmental Management and Newport Festival Foundation, Inc. formerly the New Festival Productions, Inc. Mr. Faltus explained that on March 2, 2010, the Committee approved a new three (3) year License Agreement with Mr. George Wein and his revitalized company, New Festival Productions, LLC, for the presentation of the Newport Jazz and Folk Festivals for the 2010 through the 2012 seasons. Mr. Faltus noted that due to Mr. Wein's advancing age, he is concerned about maintaining the viability of these festivals into the future. Therefore, in recent years, he has taken steps to establish a non-profit foundation and approached the Department about amending the current License Agreement so that the new foundation, Newport Festival Foundation, Inc., can assume the responsibility under the current License Agreement. Mr. Faltus indicated that before the Committee this morning is a First Amendment to the License Agreement that will accommodate Mr. Wein's wishes. Mr. Faltus explained that Mr. Wein is still a member of the Board of the Foundation and it will continue to operate under his leadership. On a

**motion made by Mr. Griffith and seconded by Ms. Urso, the Committee voted unanimously to approve the above request.**

**ITEM F - Department of Environmental Management – A request was made for approval of and signatures on a License Agreement, by and between the Department of Environmental Management and the Town of Westerly for the presentation of two (2) community music festivals to be held over the weekends of May 13th through May 15, 2011, and September 16th through September 18, 2011, on Misquamicut State Beach. Mr. Faltus reminded the Committee that it had approved a License Agreement with the Misquamicut Business Association, which was sanctioned by the Town of Westerly, from 2005 through 2009 for a Misquamicut Music Festival, which was held on Saturday Evenings during the month of July. Mr. Faltus explained that the Town of Westerly approached the Department expressing an interest in expanding this successful event by holding two (2) weekend community music festivals; one in May and the other in September. Under this proposed License Agreement and in accordance with Article 5, Additional Terms and Conditions: the Department will allow the Town to charge reasonable parking and vendor fees and raise funds through sponsors to off set the expenses of hosting these events. However, Mr. Faltus assured the Committee that all assessed fees and any funds intended to be raised through sponsors are subject to the review and approval of the Department. Additionally, a portion of the proceeds will go to local charities. Further, under Article 1 of the proposed License Agreement, the public will continue to have access to the beach at all times during**

these events. Mr. Faltus indicated that there will be no alcoholic beverages served or sold on State-owned property. After a discussion concerning liability insurance coverage, on a motion made by Mr. Griffith and seconded by Mr. Kay, the Committee unanimously voted to approve the above request, subject to the appropriate and updated Certificate of Insurance being submitted to the Department and to the Committee.

**ITEM G – Department of Administration - A request was made for approval of the State Properties Committee's: (1) Revised Request to Convey State-Owned Property form; (2) Revised request for Property Acquisition together with the newly developed Open Space and Natural Resources Values Report. A lengthy and detailed presentation was made by Kevin Nelson of Statewide Planning and questions were asked and answered regarding the need for revised forms and the benefits of the same. On a motion made by Mr. Griffith and seconded by Mr. Kay, the Committee voted unanimously to approve the above request, subject to the addition of the rule citation and the web link.**

**The Committee may move to go into Executive Session, pursuant to Rhode Island General Law 42-46-5(a)(5) for the specific purpose of discussion or consideration related to the acquisition or lease of real property for public purpose, or of the disposition of publicly held property wherein advanced public information would be detrimental to the interest of the public relating to the following item: provide link**

**A motion to enter into Executive Session was made by Mr. Griffith**



**and seconded**

**by Mr. Kay.**

**A roll call vote was taken and the votes were as follows: Mr. Griffith voted “Aye,” Mr. Kay voted "Aye," Ms. Urso voted “Aye” and Chairman Flynn voted “Aye.”**

**After a detailed discussion relating to Executive Session Item E1 concluded, on a motion made by Mr. Griffith and seconded by Ms. Urso, the Committee voted unanimously to return to the open session of the State Properties Committee meeting and to seal the Executive Session minutes, until such time as said matter is resolved.**

**Upon returning to open session at 11:20 a.m. the Committee proceeded to**

**vote relative to Item E1 presented in Executive Session.**

**ITEM E1 – Department of Transportation – A request was made for authorization to acquire right-of-way necessary for the Replacement of the General Nathanael Greene Memorial Bridge located in the Town of Coventry by virtue of Condemnation Plat 2747. On a motion made by Mr. Griffith and seconded by Mr. Kay, the Committee voted unanimously to approve the above request.**

**There being no further business to come before the State Properties Committee, on a motion made by Mr. Griffith and seconded by Ms.**

**Urso, the Committee unanimously voted to adjourn the March 1, 2011  
State Properties Committee meeting at 11: 21 a.m.**

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**Holly H. Rhodes, Executive Secretary  
State Properties Committee+**